MINUTES - REGULAR MEETING
SANTA MARIA CITY COUNCIL

CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA

AUGUST 16, 2016

INVOCATION:
Pastor Jesse Pinheiro of Revival Tabernacle gave the Invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Orach led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Patino called the meeting to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, Police Commander Greene, Director of Finance Harvey, City Librarian Housel, Interim Fire Chief Kenley, Assistant City Attorney Mollenkopf, Director of Recreation & Parks Posada, Assistant City Attorney Sinco, Director of Utilities Springer, Deputy City Manager Stilwell, Solid Waste Manager Cantu, Principal Engineer Olds, and Chief Deputy City Clerk Garietz.

1. PROCLAMATIONS/COMMENDATIONS/PRESENTATIONS:
There were no proclamations or presentations.

2. PUBLIC COMMENT PERIOD
Rod Berns played a recording of his brother on a phone call the day before he was killed in 2011. He asked if the City could do anything else to help him resolve the investigation as he did not feel it was completed.

At the conclusion of the public comment period Mayor Patino asked City Manager Haydon for a response. City Manager Haydon responded that the City had recently received a Citizen's Complaint against its Police Department from Mr. Berns, and that matter was being investigated. Mr. Haydon encouraged Mr. Berns to contact the District Attorney's Office, the Grand Jury, or the State Attorney General's Office for follow-up, as complaints regarding the Police Department are investigated by outside agencies.

3. CONSENT CALENDAR:
Councilmember Boysen recused himself from voting on Item 3C (Warrants) due to a financial conflict of interest.

Councilmember Waterfield recused herself from voting on Items 3C (Warrants) and 3H (Agreement with Central Coast Remedial Resources) due to financial conflicts of interest.

Consent Calendar Items 3A through 3L (except 3C and 3H) were approved, on motion by Councilmember Orach, seconded by Councilmember Zuniga, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Consent Calendar Item 3C only was approved, on motion by Councilmember Orach, seconded by Councilmember Zuniga, and carried on the following vote: 3-0-2

AYES: Councilmembers Orach, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: Councilmembers Boysen and Waterfield

Consent Calendar Item 3H only was approved, on motion by Councilmember Orach, seconded by Councilmember Zuniga, and carried on the following vote: 4-0-1

AYES: Councilmembers Boysen, Orach, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: Councilmember Waterfield

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular Meeting of the City Council of August 2, 2016, were approved as submitted.

C. WARRANTS
Warrant Nos. 201815 to 202359 totaling $8,113,913.48 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 201068, 199433, 194131, 194589, 195584, and 201746 were cancelled.

D. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

E. DOWNTOWN STREETSCAPE PLAN
Resolution No. 2016-106 was adopted delegating authorization to execute Fund Transfer Agreements and Amendments with the California Department of Transportation (Caltrans) for the Downtown Multimodal Streetscape Plan.

Resolution No. 2016-106 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE COMMUNITY DEVELOPMENT DIRECTOR TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE DOWNTOWN MULTIMODAL STREETSCAPE PLAN.

F. DONATION OF BICYCLES TO THE SANTA MARIA POLICE DEPARTMENT
Resolution No. 2016-107 was adopted approving the donation of six (6) bicycles to the City of Santa Maria Police Department from the Santa Maria Police Council, and directing the City Manager's Office to prepare a letter of acknowledgement.

Resolution No. 2016-107 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE RECEIPT OF DONATION OF SIX (6) BICYCLES AND HELMETS FROM THE SANTA MARIA POLICE COUNCIL TO THE CITY OF SANTA MARIA POLICE DEPARTMENT.

G. BETTERAVIA ROAD IMPROVEMENTS
Resolution No. 2016-108 was adopted approving a contract with RDZ Contractors for the Betteravia Road Improvements - Thornburg Street to Blosser Road, Bid No. 2016/08 in the amount of $261,130.94.

Resolution No. 2016-108 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH RDZ CONTRACTORS, FOR BID NO. 2016/08, BETTERAVIA ROAD IMPROVEMENTS: THORNBURG TO BLOSSER.

H. NHIS ROLLING CLOSURE CONTRACT
Resolution No. 2016-109 was adopted approving a contract with Central Coast Remedial Resources, Inc., for the Santa Maria Regional Landfill Multi-Year NHIS Rolling Closure, Bid No. 2016/07 in the amount of $2,244,586 over a five-year period.

Resolution No. 2016-109 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH CENTRAL COAST REMEDIAL RESOURCES, INC., FOR BID NO. 2016/07, SANTA MARIA REGIONAL LANDFILL MULTI-YEAR NHIS ROLLING CLOSURE.

I. 2016 VALUES FOR LAND AND SUBDIVISION IN-LIEU FEE
Resolution No. 2016-110 was adopted setting the 2016 values for land zoned as Open Space or Public Facilities and the Subdivision In-Lieu Fee.

Resolution No. 2016-110 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, SETTING THE 2016 VALUES FOR RAW LAND, LAND ZONED AS

OPEN SPACE OR PUBLIC FACILITIES, AVERAGE HOUSEHOLD SIZE, AND SUBDIVISION IN-LIEU FEE, IN ACCORDANCE WITH SANTA MARIA MUNICIPAL CODE SECTION 11-9.05(d)(2).

J. CONTRACT FOR LANDSCAPE MAINTENANCE DISTRICTS AND SPECIAL BENEFIT ZONES
Resolution No. 2016-111 was adopted awarding a contract to J.D. Humann Landscaping, Inc. for citywide Landscape Maintenance Districts and Special Benefit Zones.

Resolution No. 2016-111 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A PROFESSIONAL SERVICES AGREEMENT FOR LANDSCAPE MAINTENANCE SERVICES.

K. CONTRACT FOR PROCESSING COMMINGLED RECYCLABLES
Resolution No. 2016-112 was adopted authorizing the Director of Utilities to enter into an Agreement with Valley Garbage and Rubbish Company, Inc., doing business as Health Sanitation Service, for processing commingled recyclables for the City of Santa Maria.

Resolution No. 2016-112 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH VALLEY GARBAGE AND RUBBISH COMPANY, INC., DBA HEALTH SANITATION SERVICES, FOR PROCESSING RECYCLABLE MATERIALS.

L. LETTER OF SUPPORT FOR SUSPENDED TABLE "A" STATE WATER
Resolution No. 2016-113 was adopted authorizing and directing the Mayor of the City of Santa Maria to execute a letter of support to the County of Santa Barbara for the reacquisition of Suspended Table "A" State Water.

Resolution No. 2016-113 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE EXECUTION OF A LETTER OF SUPPORT TO THE COUNTY OF SANTA BARBARA FOR REACQUISITION OF SUSPENDED TABLE "A" STATE WATER.

APPOINTMENTS

4. APPOINTMENTS TO THE RECREATION & PARKS COMMISSION AND THE SANTA MARIA COMMUNITY TELEVISION BOARD. Chief Deputy City Clerk Garietz gave a presentation as detailed in the Council Agenda Report. The Council was asked to make appointments to the Recreation and Parks Commission and the Santa Maria Community Television Board.

Public Input
There were no requests to speak.

Recreation and Parks Commission
One vacancy on the Commission existed for an unexpired term ending in January 2019 following the recent resignation of Robert Litzinger who was nominated by Councilmember Boysen. Applications were received from Ann Batterson, Greg Burtnett, and Jeanne Sparks.

On motion by Mayor Patino, she accepted Councilmember Boysen's nomination to appoint Greg Burtnett to the Recreation & Parks Commission to fill the unexpired term ending in January 2019, seconded by Councilmember Boysen, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Santa Maria City Television Board
This three-member Board sets policies and regulations relative to public, educational and governmental (PEG) access and serves as an appeals board for sanctions levied by the PEG Station Manager against members. Members are appointed by the Mayor and confirmed by the City Council.

One vacancy existed on the Committee for a two-year term ending in January 2018. One new application was received from Kathy Staples.

On motion by Mayor Patino, seconded by Councilmember Waterfield, Kathy Staples was appointed to the Santa Maria Community Television Board to fill the unexpired term expiring in January 2018, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

5. TOBACCO USE IN CITY PARKS/PUBLIC SPACES. Mayor Patino indicated that, at staff's request, this item was being continued to the City Council meeting of September 6, 2016, and comments from the public would be heard during the Public Hearing at that time.

6. WINDSET FARMS DEVELOPMENT AGREEMENT. Assistant City Attorney Sinco gave a presentation as detailed in the Council Agenda Report. The proposed ordinance would approve a new Development Agreement (DA) between the City and Windset Farms for Phase 4 of the project. The new DA would replace the previous DA adopted in 2009 for Phases 1 through 3. The previous agreement permitted Windset Farms to defer construction of certain street and frontage improvements that would have been otherwise required. Windset Farms requested further deferral of the required public improvements for Sonya Lane, Carmen Lane, and "E" Street as part of Phase 4. Staff agreed as there had not been a pressing need to do the improvements. In exchange for the further deferral, Windset Farms agreed to do improvements on the Betteravia Road side of the project, and a portion of Black Road near the project site. This work would be completed within three (3) years from the issuance of the final Certificate of Occupancy or four (4) years of the issuance of the Building Permit, whichever is later. Windset Farms had also agreed to pay the City $700,000 to compensate for the deferred construction of the frontage improvements.

Applicant Comments
Brian Schwartz, of Urban Planning Concepts, spoke on behalf of Windset Farms indicating that Windset Farms appreciated the City's flexibility in phasing in improvements over time.

Written Communications
No written communications were received.

Public Hearing
Mayor Patino opened the Public Hearing at 6:49 p.m., and immediately closed the hearing having no requests to speak.

Council Discussion
There was no Council discussion.

Ordinance No. 2016-17 was introduced for first reading, and continued to the next meeting for second reading and adoption, approving a Development Agreement with Windset Farms (DA2016-0002) located on the east side of Black Road between the future Sonya Lane and Carmen Lane extensions, on motion by Councilmember Boysen, seconded by Councilmember Zuniga, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Ordinance No. 2016-17 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA APPROVING A DEVELOPMENT AGREEMENT FOR WINDSET FARMS, DA2016-0002, LOCATED ON THE EAST SIDE OF BLACK ROAD BETWEEN THE FUTURE SONYA LANE AND CARMEN LANE EXTENSIONS.

7. LOS PRIMOS MARKET MIXED-USE PERMIT. Planning Division Manager Gilli gave a presentation as detailed in the Council Agenda Report. Mr. Gilli explained the Conditional Use Permit (CUP) would re-establish the Los Primos Market as a mixed-use project. The site is currently zoned high density residential which would not allow a market. With a mixed-use ordinance, the market would be able to re-establish itself. The owners agreed to replace parkway concrete with new landscaping and five street trees, update storage facilities in the back, paint the market, and restore the original market windows. One condition of the CUP involves a set-back reduction of more than 50 percent which is why it was coming before the City Council. Homes and residents in the area had not expressed any concern about the project and the applicant had obtained the appropriate licensing for alcohol sales.

Councilmember Waterfield asked if the Applicant had a previous liquor license for the market.

Planning Division Manager responded that they had.

Councilmember Zuniga asked what improvements would be done to the store front.

Planning Division Manager Gilli responded that the improvements would include painting and detailing. On the side of the building where there were no windows, the applicant could add trellis work with landscaping between the sidewalk and the building.

Applicant Comments
Tom Martinez, of Tom Martinez & Associates, spoke on behalf of the Applicant saying the landscaping updates would improve the site considerably.

Written Communications
No written communications were received.

Public Hearing
Mayor Patino opened the Public Hearing at 6:57 p.m., and immediately closed the hearing having no requests to speak.

Council Discussion
Councilmembers Boysen and Orach commented that the building had been in the area for a long time and had a lot of character and nostalgia. They agreed they were happy to see the building being put to use again.

Mayor Patino commented that only a certain percentage of window coverings were allowed on store fronts in the City, but that the policy was not regulated by the City. She encouraged staff to enforce the window covering policy once the project was completed.

Resolution No. 2016-114 was adopted approving a mixed use Conditional Use Permit with a setback reduction for Los Primos Market at 501 South Lincoln Street, on motion by Councilmember Boysen, seconded by Councilmember Orach, and carried on the following vote: 5-0

AYES:	Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution No. 2016-114 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA APPROVING A MIXED USE CONDITIONAL USE PERMIT WITH A SETBACK REDUCTION FOR LOS PRIMOS MARKET AT 501 SOUTH LINCOLN STREET.

8. APPEAL OF THE PLANNING COMMISSION'S APPROVAL OF A CONDITIONAL USE PERMIT (CUP) FOR GOLDEN BEAR WINERY. Planning Division Manager Gilli gave a presentation as detailed in the Council Agenda Report. The site is currently a multi-tenant industrial building just north of Betteravia Road and west of Blosser Road in a commercial manufacturing zoning district. Mr. Gilli explained that Golden Bear Winery (the Applicant) was an existing tenant on the site. They had leased a space on the corner of the building and were requesting a tasting room in that space. Immediately adjacent to the proposed tasting room is JD Fabrications (the Appellant). On July 6, 2016, Golden Bear received approval of the CUP from the Planning Commission with a 4-1 vote. Commissioner Seifert had voted against the project citing potential safety issues between the two businesses. The Planning Commission believed the differences between Golden Bear Winery and JD Fabrications could be worked out with the property owner and both tenants.

The primary reason for the appeal was a concern over the appropriateness of allowing a non-industrial use in an industrial-use area. Wine production would be considered an industrial use, but a wine-tasting room would be considered to be a more public use and a CUP would be required. In 2006, the site was approved to hold events that would include meals and wine-tasting for up to 90 people. Building tenants at that time stated the events were too large for the site and would lead to issues with parking. However, there were no complaints about the wine-tasting specifically.

Based on the fact that there is only one bathroom in the space, the applicant would be allowed to have no more than fifteen (15) customers at any one time for wine-tasting and up to thirty (30) customers for special events on weekends or after regular work hours. Golden Bear Winery proposed business hours of Friday, Saturday, and Sunday from 10:00 a.m. to 5:00 p.m. with appointment-only tasting

Monday through Thursday during the same hours. JD Fabrications proposed the tasting room be open outside of regular work hours during the week and from 11:00 a.m. to 8:00 p.m. on the weekends. The two businesses have continued to have discussions regarding hours of operation.

Three possible alternatives to consider with the appeal include: 1) upholding the Planning Commission's approval and denying the appeal while encouraging the landlord and tenants to work out details; 2) overturning the Planning Commission approval and directing the Community Development Director to prepare a modified CUP with a new condition representing what the Council believes is a fair compromise for hours of operation; and 3) overturning the Planning Commission approval and granting the appeal, denying the CUP.

Appellant's comments (JD Fabrications).
Jonathan Sinor, owner of JD Fabrications, stated that he and his fiancé had started JD Fabrications about three years ago and had chosen the site because their business required a lot of manufacturing, shipping, and receiving. When they realized a tasting room was going in next door, they were concerned about safety and parking issues. Mr. Sinor explained that, since discovering a tasting room might be moving in, he had been looking into moving his business elsewhere and the costs were fairly prohibitive. He said JD Fabrications would be open to tasting room hours between 5:00 p.m. and 8:00 p.m. in the evenings and any hours Golden Bear preferred on the weekends. Trucks delivering to and from JD Fabrications enter the driveway and circle around the building to exit. Parking spaces that Golden Bear Winery would utilize could impede truck access. They felt the proximity of the tasting room to their bay door would be awkward and unsafe for customers. Mr. Sinor proposed that the tasting area be moved in about three units from Unit 114 to Unit 118 of the building during the week and then to Unit 114 on weekends (both units were currently being rented by Golden Bear).

Applicant's comments (Golden Bear Winery).
Janis Schmidt, owner of Golden Bear Winery, spoke about the necessity of a retail outlet and tasting room to grow her business.

Teresa Leal, a partner with Golden Bear Winery, addressed the parking and safety issues saying she did not expect many customers during the hours of operation so the number of cars in the parking lot would be minimal. Golden Bear Winery employees would park further into the parking lot near Unit 118, freeing up parking spaces closer to the tasting room for clients. She stated that safety issues would continue to be the same for all tenants on the property and Golden Bear did not anticipate any increase in safety problems. Golden Bear had agreed to appointment-only services Tuesday through Friday and open wine-tasting on Saturdays and Sundays.

Councilmember Boysen asked if Golden Bear was already conducting wine-tasting in Unit 118.

Janis Schmidt responded she was currently doing appointment-only tastings in Unit 118 but desired to expand the space to allow the business to grow.

Councilmember Boysen indicated that he had ex-parte communications with both JD Fabrications and Golden Bear Winery representatives.

Councilmember Zuniga asked how many staff would be on-site.

Ms. Leal responded there would be one person managing the tasting room, possible a second staff person would be present on weekends.

Written Communications
A written communication was received on August 4, 2016, from Bob Friars who wrote in support of the JD Fabrications' Appeal.

Public Hearing
Mayor Patino opened the Public Hearing at 7:33 p.m.

William Lavoie, owner of the property, spoke about his experience with Golden Bear Winery and JD Fabrications saying that on November 12, 2015 he had signed a lease with Janis Schmidt that included Unit 114. The lease stated that Unit 114 would be a tasting room. He later learned of the issues between JD Fabrications and Golden Bear Winery and that Ms. Schmidt was selling the winery to a new owner, Antler One. He then heard from Ms. Schmidt that there were no problems between JD Fabrications and Golden Bear Winery and that she had not begun any improvement work to Unit 114. Upon speaking with City staff, Mr. Lavoie discovered that Ms. Schmidt had begun improvements to the Unit without a CUP and without his approval. He was later presented with a copy of a CUP that Ms. Schmidt had signed as owner of the property. Mr. Lavoie said he has refused to sign any follow-up CUP applications and he

will refuse to sign another lease with Antler One until the issue is resolved. He recently sent a notice to Ms. Schmidt expressing his concerns. He stated Ms. Schmidt had about fifteen days left to resolve everything.

Councilmember Boysen asked Planning Division Manager Gilli if work had been done to Unit 114 without permits.

Planning Division Manager Gilli confirmed that work had begun without permits.

Councilmember Waterfield asked the City Attorney if the Council would be able to make any decisions this evening given that the owner of the building had not given permission for work to be done.

City Attorney Trujillo responded that since the owner was present and not objecting to the CUP, Council could make a ruling. He suggested asking Mr. Lavoie if he objected to the CUP.

Mr. Lavoie responded he has tried to honor the lease, but he considered Golden Bear Winery to be in violation of their lease. He said he would not sign anything until the lease issues were resolved. He stated he did not see any point in signing a CUP if the lease was not taken care of first because he would start the eviction process.

Councilmember Orach indicated that he had ex-parte communications with both JD Fabrications and Golden Bear Winery representatives. He suggested no action be taken on the item and that Ms. Schmidt and Mr. Lavoie resolve their issues before bringing the item back to Council.

Michael Schmidt, representing Golden Bear Winery, commented that they would like the opportunity to move forward with expanding their business.

Chad Leal, representing Golden Bear Winery, introduced himself and stated he had taken several classes on Alcohol Beverage Control and tasting room management and that he would be the on-site tasting room manager responsible for working with customers and training any additional staff.

Councilmember Waterfield asked if there was a current business license issued to Antler One.

Planning Division Manager Gilli responded that there was a business license for the space Golden Bear is currently in, but he was unsure if it was in the name of Antler One.

The Public Hearing was closed at 7:50 p.m.

Council Discussion

Councilmember Boysen commented that the City of Santa Maria was trying to stay business friendly, but he said he was not sure the location was appropriate for a tasting room nor that the Golden Bear Winery tasting room was compatible with other businesses in the building. He said he would be interested in having the discussion with staff and the Planning Commission about where tasting rooms would be most appropriate in the City. He said he did not believe JD Fabrications should have to adjust to a new tasting room that they were already an established tenant prior to Golden Bear. He also stated he did not think Council could take any action until Mr. Lavoie and the two tenants worked out their issues.

Councilmember Orach agreed. He also said he had experience with machine shops and heavy machine deliveries and he believed that any wine-tasting on the property should be done in Unit 118.

Mayor Patino indicated that he had ex-parte communications with both JD Fabrications and Golden Bear Winery representatives. She stated she had visited the site during which time a couple of trucks drove through the parking lot and she did not believe there was enough space in the parking lot for a tasting room to function. She also said she believed the already established tenant, JD Fabrications, should not be asked to conform to a new wine tasting room in the building.

Councilmember Waterfield indicated that she had ex-parte communications with both JD Fabrications and Golden Bear Winery representatives. She commented that Santa Maria was well known for its industry and agriculture and did not fit into the trend of surrounding cities to put tasting rooms in industrial neighborhoods. She also encouraged more thoughtful placement of wine tasting and tasting rooms in the City, particularly in the Downtown.

Councilmember Zuniga confirmed with Planning Division Manager Gilli that there had previously been wine tasting in the Unit being discussed. She also said she felt Council did not have enough information to make an informed decision.

Resolution No. 2016-115 was adopted overturning the Planning Commission's approval of the CUP, on motion by Councilmember Boysen, seconded by Councilmember Zuniga, and carried on the following vote: 3-2

AYES: Councilmembers Boysen, Orach, and Zuniga
NOES: Councilmember Waterfield and Mayor Patino
ABSENT: None
ABSTAIN: None

Resolution No. 2016-115 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA TO OVERTURN THE PLANNING COMMISSION APPROVAL OF THE GOLDEN BEAR WINERY CONDITIONAL USE PERMIT AT 2115 SOUTH BLOSSER ROAD, UNIT 114.

In addition to his motion, Councilmember Boysen also directed the Community Development Director to prepare a modified CUP with new conditions on a fair compromise on operating hours and to bring it back before the City Council for action.

9. INTERIM URGENCY ORDINANCE REGARDING CANNABIS MANUFACTURING, TESTING, AND DISTRIBUTION. Assistant City Attorney Mollenkopf gave a presentation as detailed in the Council Agenda Report. Ms. Mollenkopf explained that two ordinances were being considered on this item, the first being an urgency ordinance that would take effect immediately upon adoption and required the support of at least four out of five Councilmembers to pass. The second ordinance would have a first reading followed by a second reading and adoption at the next Council meeting. The second ordinance would then be effective thirty (30) days after adoption. The urgency ordinance would establish an immediate moratorium on the manufacturing, laboratory testing, labeling, storing, and wholesale and retail distribution of cannabis.

The reason for both ordinances was that the current Municipal Code referred to dispensaries and cultivation, but did not have any references to the items being considered by these two ordinances. Given recent State laws and the proposed recreational marijuana Proposition 64, on the November 2016 Ballot, staff felt it was important to put these ordinances in place at this time to allow staff time to study and develop a comprehensive zoning and regulatory approach to cannabis, including analysis of the provisions of Proposition 64.

Councilmember Zuniga asked for clarification on retail distribution and if passage of the ordinances would affect the current level of distribution and deliveries in the community. She also asked if the ordinances distinguish between recreational and medical marijuana.

Assistant City Attorney Mollenkopf responded that the current Code bans dispensaries and the ordinances do not address deliveries. She also said the ordinances refer to all cannabis use (both recreational and medical).

Written Communications
No written communications were received.

Public Hearing
Mayor Patino opened the Public Hearing at 8:12 p.m., and immediately closed the hearing having no requests to speak.

Council Discussion
There was no Council discussion.

Urgency Ordinance No. 2016-18 was adopted establishing a moratorium on the manufacturing, processing, laboratory testing, labeling, and storing of cannabis, on motion by Councilmember Orach, seconded by Councilmember Boysen, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Urgency Ordinance No. 2016-18 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA PROHIBITING THE MANUFACTURING, PROCESSING, LABORATORY TESTING, LABELING AND STORING OF CANNABIS, CANNABIS PRODUCTS, AND ALL CANNABIS DERIVATIVES FOR ANY PURPOSE.

Ordinance No. 2016-19 was introduced for first reading, and continued to the next meeting for second reading and adoption, establishing a moratorium on the manufacturing, processing, laboratory testing, labeling, and storing of cannabis, on motion by Councilmember Orach, seconded by Councilmember Boysen, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Ordinance No. 2016-19 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA ESTABLISHING A MORATORIUM ON THE MANUFACTURING, PROCESSING, LABORATORY TESTING, LABELING AND STORING OF CANNABIS, CANNABIS PRODUCTS, AND ALL CANNABIS DERIVATIVES FOR ANY PURPOSE.

10. FOURTH QUARTER FINANCIAL REPORT 2015-16.

City Manager Haydon introduced the City's new Director of Finance, Mary Harvey, who gave a presentation as detailed in the written Council Agenda Report. The report focused on the General Fund and Enterprise Funds. The beginning fund balance in the General Fund was $10.1 million as of July 1, 2015. Five out of the six key revenues exceeded budget and were greater than prior fiscal year receipts. Sales tax had the largest gain at $2.4 million and 12.5 percent more than last year due to increased construction, restaurant, and auto sales. Permit revenue was at $2.9 million, the majority from construction revenue. NHIS revenue was at 83.2 percent of budget at almost $1.5 million, approximately $300,000 less than what had been anticipated. It was noted that NHIS revenues had not been this low since Fiscal Year 2005-2006.

Expenditures in the General Fund were at 95.1 percent due primarily to staff vacancies and departments holding down operational expenditures. Measure U revenues were at $4.1 million and almost 100 percent of budget. Expenditures were slightly lower than budget at 97.3 percent, the majority being public safety related.

Regarding the Enterprise Funds, the Water/Wastewater Fund revenues exceeded expenditures by $6.2 million. Expenditures included the semi-annual debt service payment for the 2012 AB refunding bonds for approximately $4.6 million. In the Solid Waste Fund, expenditures exceeded revenues by $406,000.

Director of Finance Harvey closed her presentation saying that, in addition to presenting the financial report, staff was recommending three budget amendments for Council's consideration.

Public Input
There were no requests to speak.

Council discussion
Councilmember Boysen commented that the City adopted the 2015-16 Budget with the intent of allocating $3.5 million in Local Economic Augmentation Fund (LEAF) reserves to balance it. However, based on preliminary year-end expenditures, only about $700,000 would be needed to maintain a fund balance of $10.1 million. He asked City Manager Haydon for information on what the increase in the fines and forfeitures were. City Manager Haydon responded he would research the budget and come back to him with an answer.

Councilmember Zuniga commented that the Police, Fire, Public Works, Community Development, and City Manager's Office all came in under budget due to staff vacancies. She said she wanted to acknowledge the current staff for fulfilling the responsibilities of those positions until they could be filled.

Resolution No. 2016-116 was adopted approving budget amendments to the 2015-16 fiscal year and authorizing the City Manager to implement same, on motion by Councilmember Boysen, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Boysen, Orach, Waterfield, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2016-116 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO THE 2015-16 BUDGET AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

REPORT BY CITY MANAGER:
City Manager Haydon reported the next meeting would be September 6, 2016 and would include the second readings of the ordinances that were introduced this evening; the award of bid for Annual Street Maintenance/Chip Seal; a public hearing regarding the Betteravia and "A" Street zoning; and a public hearing regarding tobacco use in City parks and public spaces.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS (INCLUDING AB1234 REPORTS):
Councilmember Boysen commented that he did not have anything to report, but he did want to encourage that the topic of wineries and tasting room placement be part of discussions on the Downtown Specific Plan.

Councilmember Orach reported he attended the Chamber of Commerce Awards Dinner where he received the Robert F. Grogan Public Service Award for his years of service on the City Council.

Councilmember Waterfield reported that she spoke on the Ben Heighes Radio Show; attended a meeting with Golden Bear Winery; and attended the Chamber of Commerce recognition dinner where Councilmember Orach was recognized for 30 years of service. Councilmember Waterfield also attended a PG&E briefing and the Central Coast Literacy Council Strawberry Social.

Councilmember Zuniga reported that she attended a meeting with Golden Bear Winery; the PG&E briefing; the Central Coast Literacy Council Strawberry Social; the soft-opening of the Business Development Center (formerly MIYB Spaces); the Chamber Awards Dinner; the Good Samaritan Services Back-to-School shopping spree; volunteered with the Stuff-the-Bus project through United Way; the new Buena Vista Park event; and invited everyone to see the Hometown Hero flags currently being displayed on College Drive. She also commented on how much she appreciated seeing the City Police Officers engaging young people at Downtown Fridays.

Mayor Patino reported she attended the Santa Barbara Fiesta Rodeo; a meeting with Golden Bear Winery; a meeting with Rob Himoto; a viewing of the Josh Prenot swim race at the Maldonado Center; the Chamber Awards Dinner; spoke at the Kiwanis meeting; watched the Karlos Balderas fight at the Maldonado Center; attended the Hope Missionary Baptist Church spaghetti lunch; attended Downtown Fridays; spoke on the Ben Heighes show; attended the PG&E briefing; and the Central Coast Literacy Council Strawberry Social.

CLOSED SESSION
The City Council convened to a Closed Session at 8:31 p.m. for a conference with legal counsel existing litigation pursuant to Section 54956.9 (d) (1) of the Government Code regarding Connie Mascarenas v. City of Santa Maria, et al., United States District Court, Central District, Case No. CV 15-5308.

CLOSED SESSION REPORT
Following the Closed Session, Assistant City Attorney Mollenkopf announced that there was no reportable action.

ADJOURNMENT:
There being no further business before the City Council, Mayor Patino declared the City Council meeting adjourned at 9:05 p.m.

APPROVED:

September 6, 2016
Date

Rhonda M. Garietz, CMC
Chief Deputy City Clerk and ex officio Clerk of the City Council

Alice M. Patino
Mayor of the City of Santa Maria

ATTEST:

Rhonda M. Garietz, CMC
Chief Deputy City Clerk